

THE VERMONT OXFORD NETWORK
MEMBERSHIP AGREEMENT FOR CPQCC PARTICIPANTS

This Membership Agreement is entered into effective _____, 2003 and is by and between the undersigned member (the "Member") and Vermont Oxford Network, Inc., a Vermont nonprofit corporation (the "Network").

Recitals

- a) The Member is a participant in the California Perinatal Quality Care Collaborative (the "CPQCC").
- b) Each participant in the CPQCC is a member of the Network through the sponsorship of Stanford University (through the program known as the CPQCC).
- c) Each CPQCC participant is required to enter into the standard Network Membership Agreement for CPQCC participants.

In consideration of the mutual promises set forth below, the Network and the Member agree as follows:

1. **Mission Statement of Network.** The Network is a nonprofit corporation formed, in addition to the other purposes set forth in its corporate documents, to conduct scientific research, gather scientific data and maintain databases regarding the quality, utilization, costs, outcomes and effectiveness of medical treatments and health care practices. The Network is composed primarily of professional health care providers who, among other things, gather and review information relating to the care and treatment of patients for the purposes of evaluating and improving the quality and efficiency of health care rendered.
2. **Purpose of Reports.** The Member may provide data from time to time to the Network regarding health care services provided by the Member to its patients. Such data shall not identify patients by name, medical record number, social security number or in any other manner that may result in disclosure of the patient's identity. The purpose of the submission of such data and any reports generated by the Network containing such data is the evaluation and improvement of the quality and cost of health care rendered by the Member, as part of the Member's quality assurance program.
3. **Ownership of Database.** The data submitted to the Network becomes part of the Network's database (the "Database"). The Member expressly acknowledges that the Network has the right to license or otherwise transfer rights in the Database to third parties, subject to the restrictions set forth in Section 4 below regarding identification of the Member. The Member acknowledges and agrees that the Network owns the Database, all forms distributed by the Network for use by its members and all reports generated by the Network. The Member agrees that it will not contest the Network's ownership of the Database, forms or reports, or the Network's sole right to any copyright interests in the Database, forms or reports.

4. Identification of Member in Reports. The Member agrees that it may be identified by name in reports or summaries of data that are not related solely to the specific Member; provided, however, that the Network shall not identify which data corresponds to the Member unless the report is solely for the Member's own use. The Network may publish and distribute data and summaries of data at the Network's own discretion. The Network shall not, however, publish or distribute data related solely to the Member without the Member's prior written consent.

The Member expressly consents that the Network shall have the right to distribute any data related to the Member to the CPQCC. Instead of identifying which data correspond to the Member by name, the Network will use the VON identification number assigned to the Member by the Network. The Member may, in its discretion, provide its VON identification number to the CPQCC.

5. Protection of Reports from Discovery. It is the intention of the Member, because of the purposes for which the Member will submit data to the Network, for such data and any reports relating thereto to be treated as confidential. The Member acknowledges that the law of the state where it is located will most likely govern with respect to an issue as to whether such reports will be immune from discovery in litigation matters. The Member acknowledges that it is the Member's and not the Network's obligation to protect the data and reports from discovery. The Network agrees, however, that in the event that any person or entity shall move a court of competent jurisdiction to order disclosure of any data or reports relating to the Member, the Network shall notify the Member of such motion immediately and shall provide such assistance as is reasonably requested by the Member in any efforts of the Member to intervene.

6. Representations and Warranties of Member. The Member makes the following representations and warranties to the Network with the understanding that the Network is relying upon the accuracy thereof to extend a membership to the Member:

- a) Authority to Submit Data and Receive Reports. The Member has the authority to submit data to the Network for all of the purposes contemplated by this Agreement. In the event that the Member is affiliated with a hospital or other health care provider, the Member has obtained all necessary consents to submit data to the Network. The Member also has the authority to receive all reports and results relating to the data that it submits to the Network.
- b) Continuation of Representations and Warranties. The Member agrees that all of the representations and warranties made in this Section 6 (i) shall be true and correct at all times during its membership in the Network; and (ii) shall survive the termination of its membership in the Network.

7. Contact Person for Reports. The Member requests that all communications and reports relating to data submitted by the Member should be made (in accordance with the schedule agreed to by the Network and the CPQCC) to the following individual, who is a member of the CPQCC's committee relating to peer review or quality improvement activities:

Jeffrey Gould, M.D.
Maternal and Child Health Branch
1947 Center Street
Berkeley, CA 94704

or such other member(s) of said committee as either the Member or CPQCC shall notify the Network in writing from time to time. The Member acknowledges and agrees that CPQCC shall be responsible for providing the Member with copies of reports and that the Network has no responsibility for submitting reports directly to the Member, as long as the Member is a participant in the CPQCC and the Membership Agreement between the CPQCC and the Network is in force.

In the event that the Member ceases to participate in CPQCC or in the event that the Membership Agreement between CPQCC and the Network terminates (and is not replaced), the Member requests that all communications and reports relating to data submitted by the Member should be made to the following individual, who is a member of the Member's committee relating to peer review or quality improvement activities:

V.G. Muraligopal, MD
Name

400 North Pepper Avenue
Address

Colton, CA 92324

or such other member(s) of said committee as the Member shall notify the Network in writing from time to time. The Member shall notify the Network of any change in the contact person for communications and reports within thirty (30) days of such change.

The Member hereby acknowledges and agrees that, in addition to the contact person specified above, the Member authorizes the Network to provide interim communications and reports of an administrative nature (such as data submission errors, requests for special reports, and other administrative items) to the following individuals:

Joyce Wiegand, RN, Nurse Manager
Name

400 North Pepper Avenue
Address

Colton, CA 92324

Shirley Farr, RN, Asst. Nurse Manager
Name

400 North Pepper Avenue
Address

Colton, CA 92324

or such other individuals as the Member shall notify the Network in writing from time to time. If any person listed above is no longer authorized by the Member to receive administrative communications from the Network, the Member shall promptly notify the Network of such change.

8. Member Benefits. The Member will be entitled to the usual privileges incident to membership in the Network, including newsletters and the opportunity to attend the annual members meeting of the Network and CME programs offered by the Network.

9. Membership Dues; Fees for Reports. The Member and the Network acknowledge and agree that all dues and standard fees shall be invoiced and paid through Stanford University (or, once formed as a separate entity, the CPQCC). Notwithstanding the foregoing, in the event that Stanford (or the CPQCC) fails to pay the annual dues or standard fees relating to the Member when due, the Member shall be liable for such payment to the Network. If the Member requests special reports in addition to the standard Network or CPQCC reports, then the Member shall be solely liable for the fees relating thereto. The Member acknowledges and agrees that the Network shall have the right, in its sole discretion, to exclude the Member from the Fourth Quarter and Annual Quality Management reports if all dues relating to the Member have not been paid in full by September 30 of the relevant year; provided that said exclusion shall not occur for members of the Network who joined the CPQCC after August 1 of the relevant year. In such case, the exclusion date shall be 60 days after the member joins the CPQCC.

10. Indemnification. The Member hereby agrees to indemnify and hold harmless the Network and each of its directors, officers, employees and agents from all litigation, damages, claims, settlement payments, liabilities, actions, causes of action, and reasonable costs or expenses (including attorneys' fees and expenses), incurred, suffered, sustained or required to be paid by the Network or any of the indemnitees listed above by reason of, or resulting from, a

claim by any third party based upon an implied or express allegation that any representation or warranty made by the Member hereunder was not correct or accurate.

11. Term and Termination; Amendment if CPQCC Relationship is Altered.

- a) Term and Termination. The term of this Agreement shall be for a period of one (1) year beginning _____, 2003 and shall be automatically renewed for additional one-year periods, unless terminated as provided herein. This Agreement may be terminated by the Member at any time by written notice to the Network. The Network may terminate this Agreement upon written notice to the Member for failure to pay the annual membership dues or to pay other amounts owed to the Network for items or services requested by the Member or for breach of this Agreement by Member. Regardless of the manner of termination of this Agreement, the provisions contained in Sections 3, 4, 5, 6, 10, and 15 of this Agreement shall survive expiration of the Member's membership in the Network and termination of this Agreement.
- b) Amendment if CPQCC Relationship is Altered. In the event that the Member ceases to be a participant in the CPQCC, it shall notify the Network immediately. In the event that the Member ceases to participate in the CPQCC, or in the event that the Membership Agreement between the CPQCC and the Network terminates (and is not replaced), this Agreement shall be automatically amended (without the need for additional documentation or signatures) as follows:
 - (i) The recitals relating to CPQCC shall be deleted.
 - (ii) The second paragraph under Section 4 (relating to distribution of data to the CPQCC), shall be deleted in its entirety.
 - (iii) Reports shall no longer be submitted by the Network to the CPQCC under Section 7. Instead, all communications and reports relating to data submitted by the Member shall be made to the individual identified in Section 7 as a member of the Member's committee relating to peer review or quality improvement activities or such other member of said committee as the Member shall notify the Network in writing from time to time.

- (iv) Section 9 regarding membership dues and fees for reports shall be amended and replaced in its entirety to read as follows: "The Member agrees that it shall pay to the Network the annual membership dues and, in addition, any standard fees charged by the Network for reports."

12. Future Membership Agreements. The Member acknowledges and agrees that, as a condition to its continued membership in the Network, the Network shall have the right, if it revises its standard Membership Agreement to require the Member to enter into the then-current version of the Network Membership Agreement (either for CPQCC participants or non-CPQCC participants, as the case may be). Nothing in this Section 12 shall be deemed to affect the Member's rights to terminate this Agreement under Section 11 above.

13. Retroactive Application. In the event that the Member participated as a member of the Network prior to the date of this Agreement and had not executed a prior Membership Agreement, the Member agrees that all provisions of this Agreement shall apply to its membership in the Network during such prior period.

14. Severability. If any provision of this Agreement is declared invalid or unenforceable, such provision shall be limited and construed so as to make it enforceable or, if such limitation or construction is not possible, such provision shall be deemed stricken from this Agreement. In such event, all other provisions not stricken from this Agreement shall remain in full force and effect, unless such enforcement would be inconsistent with the purposes of this Agreement.

15. Release of Information by CPQCC. The Member acknowledges that it has entered into an agreement with the CPQCC, under the auspices of Stanford University, addressing (among other issues) the contemplated public release of data regarding the Member's performance under certain measures. Said contemplated release of data by the CPQCC may identify the Member by name. The Member further acknowledges that the Network will not be involved in CPQCC's public release of such data. The Member agrees that the Network shall not be responsible in any manner for actions taken by Stanford University or the CPQCC, including without limitation the public release of data relating to the Member or to the CPQCC participants as a group. The Member hereby agrees to hold the Network harmless for any action relating to the use or disclosure by Stanford University or the CPQCC of any information provided to the CPQCC by the Network.

16. Data from Previous Years. The Member hereby grants authority to the Network to submit to the CPQCC any and all data and reports relating to the Member for any time period prior to the date hereof, including time periods before the Member became a participant in the CPQCC.

17. Miscellaneous. This Agreement supersedes all prior agreements and constitutes the entire Agreement between the Member and the Network regarding the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the Network, the Member and their successors and assigns. This Agreement shall be governed by and

construed under the laws of the State of Vermont, without giving effect to conflict of laws principles. This Agreement may not be modified except in a written amendment signed by both parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as of the dates specified below.

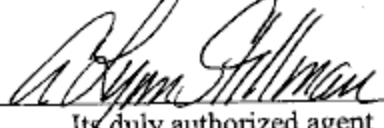
MEMBER: Arrowhead Regional Medical Center

By: _____
Its duly authorized agent

Date

[NOTE REGARDING IDENTIFICATION OF MEMBER: Please note that the Member should be the institution or group of neonatologists and not an individual. Please be sure to use the correct name of the entity. Please make sure that the person signing this Agreement has proper authority to do so.]

VERMONT OXFORD NETWORK, INC.

By: 
Its duly authorized agent

3/27/03

Date